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 Authority: HR 70-2

November 24, 1954

Dear Pete: ☐ It contains nothing of CIA interest
 Date 18 JUNE 82 Reviewer 103430

Many thanks for your kind letter and telegram.

I am enclosing, with the same line of thinking as presented in my letter to you of November 12th, copies of five reports which may have reached the President or Mr. Cutler through the C.I.A. or the F.B.I., but which also all originated with or from us. There is also enclosed a report which no one, repeat no one, has yet received. It is from our world-wide Trotskyite system where the sources do not know their reports ever reach the United States. The field comment is our overseas supervisor's evaluation, and while we are not an evaluating agency, we do have 13 years of continuous clandestine collection experience and much confidence in our tested sources and supervisors. We cannot guarantee the field comment, but we feel it is more likely to be a more accurate conclusion from unbiased clandestine collection on the ground than any conclusions and estimates by Washington wishful-thinking inhabitants of ivory towers.

I honestly believe that our clandestine continuation under you or under Mr. Cutler from the White House, or for the State Department whom we served from 1947 to 1951, which would cost \$600,000 per year for world coverage, would give an added, completely independent safety check on the vast systems and organizations which in some cases may capture their directors and evaluating personnel. Of course, as in the past, some new and valuable information can always be collected by a private organization of our type.

We will not be completely closed out until the end of the year. STATINTL

STATINTL In France, a country which I personally know intimately, I can assure you that

STATINTL However, the situation and the general intelligence blow of Dides did not affect a single one of our sources.

Of course, notwithstanding the fact that I am sure you would like to help preserve something worthwhile, I know Washington and I realize that you may not be in a position to get involved in this matter, and therefore, if you can do nothing, I will certainly understand. However, even in that case I feel certain that you will want to relay the attached, and perhaps also relay the information about our organization and its possibilities, merely as a disinterested acquaintance of mine with a knowledge of the organization gained when you were in G-2 during the war.

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[REDACTED] A great number of worthwhile reports, the value of which can be proven by post-mortem analysis, were eliminated, and in addition our security was being endangered.

The very important thing from the standpoint of the White House and from the standpoint of national and intelligence security is that it would be far better for Mr. Cutler to give me the opportunity to prove with documentary evidence and witnesses the weaknesses of C.I.A. and the importance of maintaining this experienced and proven organization as a safety check than it would be to have these matters dug into at a later date, when we have completed our termination, by the Hoover Task Force or by Congressional investigation. We as a going concern had to face efforts by Congress to use us, but because we were a going concern and were in complete control of all our personnel, we have been successful in avoiding this. However, after we have completed our termination at the end of this year, there will no longer be any wraps on, and in addition some of us consider it our patriotic duty, at least as far as concerns the Hoover Task Force, to submit evidence to prove the great weaknesses in our intelligence picture. However, we would prefer, and I believe it would be in the national interest, to work these things out within the Executive structure of the Government, and we feel that this should be of definite interest to Mr. Cutler.

Hoping that you can at least obtain an opportunity for me to show blind spots in the first line of defense and present our case, or at least that you can make use of the attached, I am,

Cordially,



P.S.

I must confidentially explain that neither General Walter Bedell Smith nor Allen Dulles, both of whom I have of course had personal contact with, believe either in the concept, system, policy or value of a completely independent, insulated check agency in clandestine collection like ours. However, as few people realize, but as you know, Smith lacks experience in intelligence and has made mistakes in it, and Dulles' experience is only that gained in the O.S.S. which could hardly be classed as successful in secret intelligence collection. While I claim to be no genius, I have over 30 years experience in police, investigative and secret intelligence work in the Regular Army, National Guard, A.U.S. and in private life. To prove my efficiency, practically none of this is generally known or appears in any records, or even in my 201 file, although I can of course prove it. I also have lived frequently and traveled extensively in Europe, and my father was once in the French Diplomatic Service. All this, I feel, should be known to Mr. Cutler for his orientation, as well as the fact that this organization produced a report warning of the German Battle of the Bulge offensive, in G-2, which report was never relayed to SHAEF. This organization also reported the sudden shift of Soviet air power to the Far East, which later our Air Force stated caught them completely by surprise. This report was eliminated by C.I.A. We also reported from 1951 on, that Otto John was not to be trusted and in fact, finally, that he was a Soviet agent, but C.I.A. ignored these reports. These are just a few examples of documentary proof we have of intelligence errors.

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